

HOUSE BILL 850

N1

2lr1781
CF SB 685

By: **Delegates Gilchrist and Niemann**
Introduced and read first time: February 9, 2012
Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Condominiums – Payment of Assessments and Fees**

3 FOR the purpose of authorizing a council of unit owners to petition the District Court
4 for relief if a unit owner has failed to pay assessments and fees for a unit for a
5 certain period of time and is renting the unit to a tenant; requiring a certified
6 copy of the petition to be mailed to the unit owner and served on the tenant
7 under certain circumstances; authorizing the District Court to enter an order
8 directing the tenant to pay rent due under the lease to certain persons under
9 certain circumstances; requiring the District Court to order certain persons to
10 apply rent payments received to the payment of certain assessments and fees
11 under certain circumstances; prohibiting a unit owner from taking any action
12 for failure to pay rent against a tenant under certain circumstances; and
13 generally relating to the payment of assessments and fees in condominiums.

14 BY adding to
15 Article – Real Property
16 Section 11–110.1
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2011 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Real Property**

22 **11–110.1.**

23 **(A) THE COUNCIL OF UNIT OWNERS MAY PETITION THE DISTRICT**
24 **COURT FOR RELIEF IF A UNIT OWNER:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) HAS FAILED TO PAY ASSESSMENTS AND FEES FOR A UNIT FOR**
2 **90 DAYS OR LONGER; AND**

3 **(2) IS RENTING THE UNIT TO A TENANT.**

4 **(B) A CERTIFIED COPY OF THE PETITION SHALL BE:**

5 **(1) MAILED TO THE UNIT OWNER BY CERTIFIED MAIL, RETURN**
6 **RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF THE UNIT OWNER; AND**

7 **(2) SERVED ON THE TENANT WHO IS RESIDING IN THE UNIT BY**
8 **PERSONAL SERVICE UNDER THE MARYLAND RULES.**

9 **(C) AFTER A HEARING, THE DISTRICT COURT MAY ENTER AN ORDER**
10 **DIRECTING THE TENANT TO PAY ALL OR A PORTION OF THE RENT AS THE RENT**
11 **COMES DUE UNDER THE LEASE TO:**

12 **(1) THE COUNCIL OF UNIT OWNERS; OR**

13 **(2) A DESIGNATED CUSTODIAN.**

14 **(D) (1) THIS SUBSECTION APPLIES IF THE DISTRICT COURT ENTERS**
15 **AN ORDER UNDER SUBSECTION (C) OF THIS SECTION.**

16 **(2) THE DISTRICT COURT SHALL ORDER THE COUNCIL OF UNIT**
17 **OWNERS OR THE DESIGNATED CUSTODIAN TO APPLY ALL OR A PORTION OF THE**
18 **RENT PAYMENTS RECEIVED TO THE PAYMENT OF PAST-DUE AND ANY FUTURE**
19 **ASSESSMENTS AND FEES.**

20 **(3) THE DISTRICT COURT MAY:**

21 **(I) IMPOSE REASONABLE ATTORNEY'S FEES AND COURT**
22 **COSTS ON THE UNIT OWNER; AND**

23 **(II) ORDER THAT THE ATTORNEY'S FEES AND COURT COSTS**
24 **BE PAID OUT OF ANY FUTURE RENT PAYMENTS.**

25 **(4) AN ORDER ENTERED UNDER SUBSECTION (C) OF THIS**
26 **SECTION SHALL EXPIRE WHEN ALL ASSESSMENTS AND FEES HAVE BEEN**
27 **SATISFIED AS DETERMINED BY THE DISTRICT COURT.**

28 **(E) A UNIT OWNER MAY NOT TAKE ANY ACTION FOR FAILURE TO PAY**
29 **RENT AGAINST A TENANT WHO IS ORDERED BY THE DISTRICT COURT TO PAY**

1 RENT TO THE COUNCIL OF UNIT OWNERS OR A DESIGNATED CUSTODIAN UNDER
2 THIS SECTION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2012.